

The following lists the additional anticipated costs to new initiative CPB-5, Retirement Administration for FY-1987:

<u>Original</u>	<u>New-Additional</u>	<u>Total</u>
\$210,000	Hardware - \$20,000	\$230,000*
\$ 1,175K	Software Development - \$825,000	\$ 2,000K
\$296,000	1 F/T FTE (OIT) - \$33,600	\$329,600

The hardware expense represents the cost for a "Controller" which will facilitate the interfacing of Retirement Division's IMB PCs with the mainframe computer system. The additional software expenses are as a result of a better assessment of our needs. The increase reflects the additional expenses for the software itself, modifications to the software, and additional contractual expenses to assist in the conversion and implementation of the software. Of this amount, \$500,000 is required by Office of Finance for additional contractual costs. The remaining \$325,000 would be for the additional cost of the software and for the Office of Personnel and Office of Information Technology (the majority going to OIT for modifications to the software).

The additional FTE represents Office of Information Technology's need for one additional F/T person over the four reflected in the original initiative.

Although you did not request information for FY-1988, I wanted to let you know that we anticipate total costs for software development, modifications and contractual expenses to be approximately \$1,725K in FY-1988, a considerable increase over the original projections. An additional position over the original 15 is required for FY-1988.

*Of this amount \$210K was received in FY-1986.